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**Peking University Resources (Holdings) Company Limited**  
**北大資源(控股)有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00618)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
THE FINAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the announcement of Peking University Resources (Holdings) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2021 in relation to the final results of the Company for the year ended 31 December 2020 (the “**Final Results Announcement**”).

The Company has published the audited consolidated financial statements of the Group in the annual report of the Company for the year ended 31 December 2020 (the “**Annual Report**”) on 12 January 2022. Unless otherwise stated, capitalized terms used in this announcement shall have the same meaning as those defined in the Annual Report.

Since subsequent adjustments have been made to the information contained in the Final Results Announcement, shareholders and potential investors of the Company are advised to pay attention to differences between the Final Results Announcement and the Annual Report, including the Disclaimer of Opinion as to Amount Due as disclosed below.

As disclosed in the announcements of the Company dated 28 April 2021, Peking University Resources Group Limited\* (北大資源集團有限公司) (“**Resources Group**”), the former controlling shareholder of the Company has claimed that there were certain discrepancies (the “**Discrepancies**”) regarding the amount due to Resources Group as reflected in the Final Result. In view of the Discrepancies and the subsequent events arising after the date of publication of the Final Result Announcement, Ernst & Young (the “**Auditor**”), the independent auditor of the Company, stated in its independent Auditor’s report (the “**Independent Auditor’s Report**”) set out in the Annual Report that they are unable to form an opinion as to the uncertainties relating to an amount due to Resources Group and its subsidiaries (the “**Disclaimer of Opinion as to Amount Due**”).

\* *Unofficial English translation denotes for identification purpose only*

## **BASIS OF THE DISCLAIMER OF OPINION AS TO AMOUNT DUE**

The following is extracted from the Independent Auditor's Report:

**“(b) Uncertainties relating to an amount due to a then intermediate holding company and its subsidiaries (collectively, the “then intermediate holding company group”)**

As set out in note 45(a) to the consolidated financial statements, on 13 April 2021, Peking University Resources Group Investment Company Limited (“**Resources Investment**”), a wholly-owned subsidiary of the Company, received a notice (the “**Notice**”) from the administrator of Peking University Founder Group Company Limited (the “**Administrator**”), which stated that the Administrator did not agree with the amount due by Resources Investment to Peking University Resources Group Co., Ltd. (“**Resources Group**”), a then intermediate holding company of the Company, of approximately RMB2,351 million included in other payables and accruals in the consolidated balance sheet at 31 December 2020 and as disclosed in note 28 to the consolidated financial statements (the “**Disputed Amount**”). In the Notice, there was no indication of the amount owed by the Group to the then intermediate holding company group as at 31 December 2020.

The Notice indicated that the previously agreed amount due by the Group to the then intermediate holding company group are now in dispute. We have not been provided with the details of the Disputed Amount as at 31 December 2020, nor a reconciliation of the Dispute Amount among the involved parties; and therefore, we were unable to obtain additional sufficient appropriate audit evidence to substantiate the validity and completeness of the amount owed by the Group to the then intermediate holding company group as of 31 December 2020.

Any adjustments to the Dispute Amount might have a consequential effect on the consolidated statement of profit or loss for the year ended 31 December 2020, and on the consolidated statement of financial position as at 31 December 2020 and related disclosures in the consolidated financial statements.”

The reasons for the above changes were set out under the section “Other Matters” in the Independent Auditor's Report in the Annual Report, which we reproduce as follows:

“The consolidated financial statements of the Group for the year ended 31 December 2020 were previously approved by the Board of directors of the Company on 30 March 2021 and we have issued our audit report on the consolidated financial statements of the Group for the year ended 31 December 2020 on the same date. As described in the above paragraph, and more fully described under the heading “Disputes over the Group's amount due to a then intermediate holding company” in note 45(a) to the consolidated financial statements, the amount owed by the Group to Resources Group as of 31 December 2020 was in dispute. Furthermore, additional subsequent events as disclosed in note 45(b) to the consolidated financial statements occurred. It has been determined that the previously issued financial

statements and our opinion be amended. Our work on the subsequent events is accordingly restricted to the amendments being made to these consolidated financial statements.”

Please refer to the Independent Auditor’s Report set out in the Annual Report for details.

## **RESPONSE FROM THE DIRECTORS REGARDING THE DISCLAIMER OF OPINION AS TO AMOUNT DUE**

As disclosed in the announcement of the Company dated 10 November 2021, a civil legal proceeding had been filed by Resources Group in The First Intermediate People’s Court of Beijing against Resources Investment in respect of the amount owed by Resources Investment to Resources Group (the “**Litigation**”). According to the relevant statement of claim, up to 30 September 2020, the amounts owed by Resources Investment to Resources Group were approximately RMB7,926 million (the “**Alleged Debts**”).

The management has been using its best efforts to understand the events and circumstances leading to the Discrepancies claimed by Resources Group regarding the amount due to Resources Group. In October 2021, the Company has established an investigation team to conduct investigation on the Discrepancies (the “**Investigation**”).

During the Investigation, as disclosed in the announcement of the Company dated 10 December 2021, the Board has discovered that Resources Group is suspected to have misappropriated funds of the Group (the “**Misappropriation**”) in the following manner:

- (1) Resources Group had arranged certain subsidiaries of the Company (“**Group Companies**”) to transfer or deposit their funds into Resources Group, resulting in large amount of indebtedness due from Resources Group to the Group.
- (2) In 2020 and 2021, Resources Group and its associates, Resources Investment and some other Group Companies have undertaken a series of transactions to transfer, assign and/or offset their respective debts. In particular, Kunshan Hi-Tech, a subsidiary of the Company had transferred and deposited its funds to Resources Group, leading to an aggregated debt of approximately RMB2,417 million owed by Resources Group to Kunshan Hi-Tech (the “**Kunshan Hi-Tech Debt**”). On 25 March 2021, Resources Group, Resources Investment, Kunshan Hi-Tech and Resources Hubei, an indirect subsidiary of the Company entered into and executed several debt assignment and transfer documents, pursuant to which (a) Resources Investment assumed the liabilities of Resource Group and agreed to repay part of Kunshan Hi-Tech Debt in an amount of approximately RMB2,085 million to Kunshan Hi-Tech, and (b) Resources Hubei assumed the liabilities of Resource Group and agreed to repay part of Kunshan Hi-Tech Debt of approximately RMB141 million to Kunshan Hi-Tech. Thus, Resources Investment and Resources Hubei have incurred vast amount of debts which should have been borne by Resources Group.

- (3) While being fully aware of the transactions as disclosed above, Resources Group knowingly and willfully claimed that there were discrepancies regarding the amount payable by Resources Investment to Resources Group and filed a civil lawsuit against Resources Investment for the repayment of the Alleged Debts of approximately RMB7,926 million.

As at the date of the Annual Report, the Investigation is still ongoing. With the support of the Company's PRC legal advisers, the Company has been proactively collecting the relevant evidences and preparing defence with respect to the Litigation. In relation to the suspected Misappropriation, the Company is currently seeking legal advices and will continue to conduct Investigation over the conducts of Resources Group.

The Board consider there is no sufficient basis for the Company to conduct the reconciliation of the amount due to the Resources Group with the Alleged Debts claimed by the Resources Group after taking into accounts the followings:

- (1) Resources Group claimed that the Alleged Debts of RMB7,926 million was the amount owed by Resources Investment to Resources Group as at 30 September 2020, while the amounts due to Resources Group of approximately RMB2,351 million as included in other payables and accruals in the consolidated balance sheet at 31 December 2020 in the Annual Report is the amounts due to Resources Group as at 31 December 2020, thus no direct comparison can be made with respect to these two figures;
- (2) no formal explanation or details regarding the Discrepancies or any document of the underlying transactions leading to the Discrepancies was provided by Resources Group to the Company so far;
- (3) the Alleged Debts of RMB7,926 million owed by Resources Investment to Resources Group was fabricated by Resources Group through a series of debt transfer, assignment and offsetting transactions undertaken by Resources Group and its associates, Resources Investment and other Group Companies, which were conducted under the procurement of Resources Group by exerting its control over Resources Investment and other Group Companies at that time, thus did not represent a true indebtedness of Resources Investment; and
- (4) the amounts due to Resources Group of approximately RMB2,351 million was prepared based on the internal financial records of the Group.

Given the above, the management is unable to provide the Auditors with sufficient appropriate audit evidence to substantiate the validity and completeness of the amount owed by the Group to Resources Group as of 31 December 2020.

The Audit Committee had critically reviewed the Disclaimer of Opinion as to Amount Due, the management's position concerning the Disclaimer of Opinion as to Amount Due and measures taken by the Group for addressing the Disclaimer of Opinion as to Amount Due. The Audit Committee agreed with the management's position based on the measures disclosed above. Moreover, the Audit Committee requested the management to take all necessary actions to address the effect on the Disclaimer of Opinion as to Amount Due that no such Disclaimer of Opinion as to Amount Due to be made in the forthcoming audited financial statements. The Audit Committee had also discussed with the Auditor regarding the financial position of the Group, measures taken and to be taken by the Group, and considered the Auditor's rationale and understood their consideration in arriving their opinion.

In order to address the uncertainties relating to the amount due to Resources Group, the Group had taken and intends to continue to implement the following measures:

- (1) The Company will continue to conduct the Investigation regarding the Discrepancies, including the circumstance leading to the Misappropriation by Resources Group.
- (2) In respect of the Litigation, the Company will rigorously defend itself to protect its legitimate interest. The Company is also proactively collecting the relevant evidences and preparing the defence with respect to the Litigation with the support of the Company's PRC legal advisers.
- (3) In relation to the suspected Misappropriation, the Company is currently seeking legal advices and will continue to conduct Investigation over the conducts of Resources Group. The Group will take proactive follow-up actions to safeguard the Group's interests and assets.
- (4) The Company has engaged financial advisers, legal advisers and valuer to assist the Company in dealing with the Subsidiaries implicated in the Discrepancies and the suspected Misappropriation.

The Board will take into consideration the Disclaimer of Opinion as to Amount Due when preparing the consolidated financial statements for the 15-month period from 1 January 2021 to 31 March 2022. The Board will be responsible for assessing the amounts due to Resources Group based on the conditions and circumstances as at 31 March 2022.

Assuming (i) all of the above action plans can be implemented as intended; (ii) that there are no other material adverse changes to the business, operation and financial conditions of the Group; and (iii) the supporting evidence to substantiate the validity and completeness of the amount owed by the Group to Resources Group can be provided to the Company's auditor to its satisfaction, the Company believes that its auditor will be able to remove the Disclaimer of Opinion as to Amount Due by the time of issuing the audit opinion for the consolidated financial statements of the Group for 15-month period from 1 January 2021 to 31 March 2022. The Group will work closely with its auditor with the view to making timely reporting of the consolidated financial statements of the Group for 15-month period from 1 January 2021 to

31 March 2022 in accordance with the Listing Rules and relevant regulatory requirements. The Company has engaged financial advisers, legal advisers and valuer to assist the Company in dealing with the subsidiaries implicated in the Discrepancies and the suspected Misappropriation.

### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited was suspended from 9:00 a.m. on 26 April 2021 and will remain suspended until further notice.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Peking University Resources (Holdings) Company Limited**  
**Wong Kai Ho**  
*Chairman*

Hong Kong, 12 January 2022

*As at the date of this announcement, the Board comprises executive Directors of Mr. Wong Kai Ho (Chairman), Mr. Wang Guiwu, Mr. Zheng Fu Shuang and Mr. Huang Zhuguang; and the independent non-executive Directors of Mr. Chu Kin Wang, Peleus, Mr. Chin Chi Ho, Stanley, Mr. Chung Wai Man, Mr. Hua Yichun and Mr. Wang Bingzhong.*